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Gift Pack Market

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Product Brief

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Report Highlights:

Traditionally, people in Taiwan send food products in gift packages to their friends and relatives during three major lunar year festivals: Chinese New Year; the Dragon Boat Festival; and the Moon Festival. Of the many kinds of gifts given, imported food products that are perceived to provide health benefits, such as jams, nuts, dried fruits, candies and cookies -- either organic or conventional, are seen as demonstrating good prospects in Taiwan.

General Information: Overview

Gift packages are an important item in Taiwan's retail sales. Traditionally, people in Taiwan send food products in gift packages to their friends and relatives during three major lunar year festivals: Chinese New Year (usually in February); the Dragon Boat Festival (usually in June); and the Moon Festival (usually in September). In preparation for the traditional gift giving during these festivals, producers and importers prepare the gift boxes before the holiday time. Many food distributors aggressively promote the gift packages by holding product presentations for retailers. Retail stores print gift box brochures and adopt various promotional strategies, including price discounts and/or other extraordinary strategies to attract clients. These activities mark the start of the scramble for the festival gift box market, which is estimated at about US\$2 billion or about five percent of total retail food sales in Taiwan.



Gift box brochures printed by retail stores for the lunar New Year gift giving

Trends in Taiwan's Gift Package Market

Taiwan retail food executives indicated that the following gift packages are currently very popular in the market:

- Imported fruits
- Imported wines/spirits
- Imported non-alcoholic beverages (examples: apple juice and grape juice)
- Healthy foods (examples: organic foods, ginseng, and grain products)
- Coffee + creamer + coffee cups
- Candies/chocolates
- Snack foods
- Dried fruits
- Canned foods

Retailers also indicated that imported foods such as jams, nuts, dried fruits, smoked salmon, and confectioneries that are attractively packaged have a great deal of potential in Taiwan. With the relatively high standard of living, an aging population, and the current focus on healthy eating, healthy food gift packages such as ginseng, and grain products also show good prospects.

The retail prices for these gift packages vary. Local high-end retail food executives indicated that the three categories of retail prices for gift packages listed below are the most popular in the market. However, gift packages in the US\$10-US\$35 price range are most popular in convenience stores and general supermarkets.

Market Share	Retail Price Range
50%	US\$85 - US\$210
30%	US\$210 and above
20%	US\$85 and below

Where to Buy Gift Packages

Taiwan consumers typically buy gift boxes at the following well-known stores and many other retail stores year-round. Supermarkets, hypermarkets, and convenience stores also accept pre-orders one month before the gift giving seasons.

Supermarkets

PX Mart (574); Wellcome (281); Sung Ching (78); Taiwan Fresh (41)

High-End Supermarkets

Jason's Market Place (7); CitySuper (3); Breeze Center (2)

Hypermarkets

Carrefour (60); Auchan/RT Mart (26); Aimai Geant (18); Costco (6)

Convenience Stores

7-Eleven (4762); Family Mart (2684); High-Life (1269); OK (846)

Specialty stores

Wines/spirits; Organic/health foods; Fruits

* Figures in the parentheses represent the current number of outlets for each store chain.

While gift packages may be given year-round, the peak seasons coincide with the three lunar year festivals. Gift package sales during Valentine's Day and Christmas, for example, are relatively low compared to the lunar festivals.



Retail stores sell gift packages year-round



Washington Fuji apples in gift packages at specialty fruit stores

Market Channels

Direct Taiwan's supermarket, hypermarket, convenience store, and warehouse store chains typically purchase from local importers, wholesalers, and manufacturers. However, the current trend is to increase the volume of direct imports to avoid the higher cost of purchasing products through importers and local manufacturers. U.S. suppliers may be able to sell directly to these stores by contacting the purchasing managers. The best method to reach Taiwan's retail buyers is to initially contact them directly via e-mails or faxes. Product catalogues and price lists are essential, but sample products, of course, are very helpful. U.S. suppliers can obtain a list of major Taiwan retail stores from ATO Taipei.

Indirect U.S. companies may prefer to concentrate on establishing their business relationships with reliable and efficient importers and distributors, who in turn will sell the import products to retail stores. ATO Taipei maintains lists of potential importers/distributors for U.S. suppliers.

Promotion Opportunities

Taiwan's retail stores are very competitive. To attract customers, these retail stores sponsor various country- and festival-theme promotions year round. Examples include the many "American Food Festival" in-store promotions that have been held in supermarkets and hypermarkets island-wide. U.S. suppliers are encouraged to contact ATO Taipei for information on these retail promotions. U.S. exporters can then contact the retail chains directly if interested in participating in these events and developing/expanding their business with these stores.

The competition to have products included in these gift baskets is very intense. However, given the size of the gift basket market, this is a great opportunity for broad market exposure, particularly for new-to-market products.